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No. 83-247

IN THE

SUPREME COURT OF THE UNITED STATES

October Term, 1983

GORDON GOULD,
REFAC INTERNATIONAL, LTD., and
PATLEX CORPORATION,
Petitioners,

v.

CONTROL LASER CORPORATION and
HOLOBEAM LASER CORPORATION,
Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

RESPONDENTS' BRIEF IN OPPOSITION

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COUNTER-STATEMENT OF QUESTION PRESENTED FOR REVIEW

Did the Court of Appeals properly dismiss for lack of jurisdiction petitioners' appeal from a district court order denying their motion for reconsideration of a previously entered stay of proceedings in this patent infringement suit?

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RESPONDENTS' BRIEF IN OPPOSITION

Respondents, Control Laser Corporation and Holobeam Laser, Inc.,[1] respectfully request that this Court deny the petition for a writ of certiorari, seeking review of the April 27, 1983 decision of the Federal Circuit in this case.

CITATION OF DECISION BELOW

The Court of Appeals' decision, which is erroneously cited in the petition, is reported at 705 F.2d 1340 (Fed. Cir. 1983).

1. Affiliates and subsidiaries of Control Laser and/or Holobeam are InstaRead Corporation and Security Storage Company of Washington.

COUNTER-STATEMENT OF THE CASE

A. The October 12, 1982 Stay Order.

Petitioners (hereinafter collectively referred to as "Gould") commenced this exceedingly complex patent infringement suit against respondents (hereinafter collectively referred to as "Control Laser") in the United States District Court for the Middle District of Florida in 1977. Central to the case are questions of the validity of a certain "basic" laser patent claimed by Gould. Until September 8, 1982, the case was before the Honorable George C. Young, who had presided over five years of pretrial proceedings, had learned the language and principles of laser physics, and had dealt with numerous novel and obscure questions of law and fact. On September 8, 1982, however, Gould forced Chief Judge Young's recusal by his last-minute switch of trial counsel.

The case was reassigned to the Honorable Maurice M. Paul, and scheduled for trial on November 1, 1982. On September 9, 1982, Control Laser and Bell Telephone Laboratories each filed petitions with the United States Patent and Trademark Office ("the PTO") requesting a reexamination of Gould's patent pursuant to 35 U.S.C. §§ 301-307 (Supp. V 1981). Control Laser thereafter moved for a continuance or stay of proceedings in the case before Judge Paul pending the PTO's decision regarding these requests for reexamination.

On October 12, 1982, Judge Paul heard oral argument on the motion for a continuance or stay. Recognizing that deferral, for a time, to the expertise of the PTO would contribute to efficiency and judicial economy, Judge Paul entered the following order staying the litigation:

> Patent laws provide for reexaminations of issued patents by the Patent Office under 35 U.S.C. §§ 301-307. Within three months after a request for reexamination is filed, the Patent Office will order reexamination of the patent if a substantial new

question of patentability is raised by the request. *Id.* § 303(a). On September 3, 1982 defendants filed a request for reexamination with the Patent Office. Even though the instant case has been pending for five years, at this point a decision by the Patent Office to reexamine the patent here in suit would place the question of the validity of this patent before an expert and may facilitate any subsequent trial by eliminating issues determined by the Patent Office. Accordingly, upon consideration and following oral argument on defendants' motion for continuance, it is

ORDERED that the motion for continuance be and is hereby granted pending the outcome of a decision by the Patent Office on defendants' request for reexamination. If the Patent Office should decide to consider the request for reexamination, this case shall be stayed until the decision of the Patent Office is considered final. On the other hand, if the Patent Office should decide not to consider the request for reexamination, this case will be set for trial in the first quarter of 1983 by further order of the Court.

Pet. App. at 23a-24a. On November 16, 1982, the PTO announced its intention to reexamine Gould's patent, determining that six substantial new questions of patentability of the claims had been raised. Pet. App. at 8a-19a. In April, 1983, the PTO rendered its initial decision, rejecting all claims of the patent.

B. Appeal No. 83-610 (Fed. Cir.).

Gould took no action with respect to the October 12, 1982 stay order until November 26, 1982, when he filed a motion for reconsideration and a motion to extend the time for appeal from that order. On December 16, 1982, prior to any ruling by the district court on these motions, Gould noticed an appeal from the October 12 order, as

well as "all prior adverse Orders", to the United States Court of Appeals for the Federal Circuit (hereinafter "Appeal No. 83-610").[2] Control Laser promptly moved to dismiss this appeal on the grounds that (1) the appeal, having been taken more than two months after entry of the October 12 order, was untimely under Federal Rule of Appellate Procedure 4(a)(1), and (2) the October 12 order was, in any event, a nonappealable interlocutory order.

On February 22, 1983, the Federal Circuit granted Control Laser's motion and dismissed Gould's appeal. *Gould v. Control Laser Corp.*, No. 83-610 (Fed. Cir. Feb. 22, 1983). The court's opinion and subsequent amending order of March 16, 1983 are reproduced in the Appendix to this brief. The Federal Circuit found it unnecessary to consider whether the October 12 stay order was, as Gould had claimed, an appealable "final decision" since, even if it was, Gould's appeal 65 days after entry of the order was manifestly untimely. The Court of Appeals expressly rejected any contention that Gould's belated filing of a motion for reconsideration on November 26, 1982 rendered the appeal timely:

> The motion to reconsider did not extend the time for appeal, as Rule 4(a)(4) [of the Federal Rules of Appellate Procedure] does for "a timely motion . . . under Rule 59 [of the Federal Rules of Civil Procedure] to alter or amend the judgment." Rule 59(e) requires that such a motion "shall be served not later than 10 days after entry of the judgment."

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2. Gould simultaneously noticed an appeal of the October 12 stay to the Eleventh Circuit. This appeal was dismissed for lack of jurisdiction on March 22, 1983. *Gould v. Control Laser Corp.*, No. 82-3211 (11th Cir. Mar. 22, 1983). The appeals from the October 12 stay order represented Gould's third and fourth attempts at piecemeal review of district court orders in this case. *See Gould v. Control Laser Corp.*, 650 F.2d 617 (5th Cir. 1981) (aff'd in part, dismissed in part for lack of jurisdiction); *Gould v. Control Laser Corp.*, No. 78-3836 (5th Cir. Feb. 22, 1979) (dismissed for lack of jurisdiction).

Resp. App. at A-3. The court likewise rejected Gould's claim that the October 12 stay did not become "final" until the PTO decided to reexamine Gould's patents on November 16, 1982:

> The order . . . was final and effective upon its entry. It continued the judicial proceeding until the Office decided whether to reexamine the patent.
>
> The only contingency was the duration of the order: whether it would expire upon the initial action of the Office (if the latter decided not to reexamine) or upon the final decision of the Office (if the Office granted reexamination). That uncertainty over the duration of the order did not make it non-final. [Gould] obviously would not have pursued an appeal if the Office had denied reexamination, but that fact did not make the order any less final when it was entered.

Resp. App. at A-3 to A-4.

C. The February 3, 1983 Order and Appeal No. 83-794 (Fed. Cir.).

With Appeal No. 83-610 dismissed for lack of jurisdiction, Gould's efforts to obtain appellate review of the October 12 stay order appeared at an end. On February 3, 1983, however, while Appeal No. 83-610 was pending, Judge Paul entered the following order with respect to Gould's November 26, 1982 motion for reconsideration of the stay:

> Plaintiff's Motion for Reconsideration of its [sic] October 12, 1982 order is DENIED; all further proceedings, including discovery, are STAYED, until the reexamination of Plaintiff's patent by the United States Patent Office has been concluded, including any appeal or judicial review of such Patent Office action.

Pet. App. at 6a. On February 11, 1983, Gould noticed an

appeal from this denial of reconsideration (and, once again, from all "prior adverse orders" of the district court) to the Federal Circuit (hereinafter "Appeal No. 83-794").

Control Laser promptly met this further attempt at improper interlocutory review with a motion to dismiss. In seeking dismissal of this appeal, Control Laser urged that if the October 12, 1982 stay order was, as Gould had previously asserted, a final and appealable order, Gould's motion for reconsideration, filed 45 days after entry of the order, was untimely under Federal Rule of Civil Procedure 59(e). Consequently, the district court lacked jurisdiction to entertain the motion for reconsideration and its February 3 order denying the motion was a nonappealable nullity. Alternatively, Control Laser contended that if, as it had previously argued, the October 12 order was not an appealable "final decision", the February 3 order denying reconsideration and reaffirming the previously entered stay was likewise a nonappealable, interlocutory ruling.

On April 27, 1983, the Federal Circuit dismissed Gould's appeal from the February 3, 1983 order. *Gould v. Control Laser Corp.*, 705 F.2d 1340 (Fed. Cir. 1983). The Court of Appeals on this occasion found it unnecessary to address the procedural quagmire created by Gould's previous motions and appeals from the October 12 stay order since, even if the February 3 order were considered an independent order for a stay, it was not a "final decision" reviewable under 28 U.S.C.A. §§ 1291 and 1295 (West Supp. 1983) (governing appeals to the Federal Circuit).

In its opinion, the Court of Appeals observed that, consistent with the policies underlying the limitation of appellate jurisdiction to "final decisions", stay orders are not ordinarily viewed as final and appealable. The court recognized that this principle is subject to an exception where a stay order "effectively puts the parties out of the district court, either permanently because it terminates

the action as a practical matter, or, as some courts have held, for a protracted or indefinite period." 705 F.2d at 1341, Pet. App. at 2a (citing *Moses H. Cone Memorial Hospital v. Mercury Construction Corp.*, 103 S.Ct. 927, 933-34 (1983); *Idlewild Bon Voyage Liquor Corp. v. Epstein*, 370 U.S. 713, 715 n.2 (1962); *McKnight v. Blanchard*, 667 F.2d 477, 479 (5th Cir. 1982); *Hines v. D'Artois*, 531 F.2d 726, 730 (5th Cir. 1976)). But the court expressly found that this exception had no application to the stay order entered in this case:

> The present stay is not for such a protracted or indefinite period as to render its issuance an abuse of discretion. "[R]eexamination proceedings . . . including any appeal to the Board of Appeals, will be conducted with special dispatch. . . ." 35 U.S.C. § 305 (Supp. V 1981). Assuming the PTO decision on reexamination is adverse to the patent holder and may therefore be appealed to this court, the stay would not be for a protracted or indefinite period of sufficient length to render its issuance a "final" decision.
>
> Like *Cone Memorial Hospital*, appellants would appear to be effectively out of court with respect to claims cancelled by the PTO. However, unlike the situation in *Cone Memorial Hospital*, stays to enable reexamination do not foreclose review on the merits by a federal court. District court and PTO decisions on the merits are both reviewable by this court.
>
> The present stay has thus not terminated the action but has merely shifted to the PTO an issue (patent claim validity) involved in the dispute before the district court.

705 F.2d at 1341-42, Pet. App. at 2a-3a. Gould's appeal was, accordingly, dismissed for lack of jurisdiction.

Gould subsequently filed a petition for rehearing, which was denied by the Court of Appeals on May 16,

1983. Pet. App. at 5a. Gould's petition for a writ of certiorari, seeking review of the Federal Circuit's April 27, 1983 decision, was filed on August 15, 1983.

D. The *Mossinghoff* Litigation.

One further circumstance, which receives no mention in Gould's petition, must be brought to this Court's attention.

On December 10, 1982, petitioners Gordon Gould and Patlex Corporation instituted an action against Gerald J. Mossinghoff, Commissioner of Patents and Trademarks, and the United States Patent and Trademark Office in the United States District Court for the Eastern District of Pennsylvania. *Patlex Corp. v. Mossinghoff*, Civil Action No. 82-5472 (E.D.Pa. filed Dec. 10, 1982) (hereinafter "the *Mossinghoff* litigation"). In his Amended Complaint filed January 7, 1983, which is reproduced in the Appendix to this brief, Gould seeks to enjoin the PTO's ongoing reexamination of his patents *on the same constitutional and statutory grounds urged as a reason for granting certiorari in this entirely separate case.*[3]

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3. Thus, Gould specifically alleged in his Amended Complaint:

> The [PTO's] grants of reexamination are arbitrary and capricious and contrary to the Constitution and laws of the United States, in the following respects:
>
> (a) Plaintiffs have been deprived of their property, including their ability to license the patents, without an opportunity to be heard, in violation of the due process clause of the fifth amendment.
>
> (b) The reexamination threatens to deprive plaintiffs of their property interests in the patents in violation of the due process clause of the fifth amendment . . . .
>
> (c) The reexamination threatens to adjudicate the invalidity of the patents without the action of a federal judge and jury, in violation of article III of the Constitution and the seventh amendment.
>
> . . .

Control Laser obtained leave to intervene as a defendant in the *Mossinghoff* litigation on January 31, 1983.[4] Trial on the merits was advanced to February 21, 1983, and consolidated with Gould's application for a preliminary injunction. At the same time, the Honorable Edward N. Cahn heard oral argument on defendants' motions to dismiss the Amended Complaint or for summary judgment. All parties then submitted proposed findings of fact and conclusions of law, and memoranda supplementing their earlier briefs. Gould's motions for preliminary and permanent injunctive relief and defendants' motions to dismiss or for summary judgment, which embrace all of the constitutional and statutory issues which Gould now seeks to present to this Court, were taken under advisement by Judge Cahn and remain pending before him as of the date of this brief.

REASONS WHY THE WRIT SHOULD BE DENIED

A. Summary of Argument.

This is not the "significant" and "important" case that Gould, by his incomplete recitation of the facts and mischaracterization of the questions presented, seeks to depict in his petition. The case presents neither of the two questions Gould proffers for this Court's review. The only question properly before this Court — the

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(e) Section 2240 of the [Manual of Patent Examining Procedures] provides that all doubts on a request for reexamination should be resolved in favor of granting reexamination, in violation of the presumption of validity accorded to patents under 35 U.S.C. §282.

* * *

Amended Complaint, ¶ 30, Resp. App. at A-14 to A-15.

4. Petitioner Refac International, Ltd., was later joined as a party plaintiff in the *Mossinghoff* litigation. Thus, with the exception of respondent Holobeam Laser, Inc., a wholly-owned subsidiary of Control Laser, all parties before this Court are parties to the *Mossinghoff* litigation.

appealability of the district court's February 3, 1983 order — does not warrant issuance of the writ of certiorari. For the February 3 order was either a non-final, non-appealable "stay" or the denial of an untimely motion for reconsideration. In either case, the Court of Appeals lacked jurisdiction.

B. The Court of Appeals' Dismissal of Gould's Appeal for Lack of Jurisdiction Was Proper.

Undaunted by his prior unsuccessful attempts to appeal the district court's October 12, 1982 order staying this litigation, Gould improperly sought, and still seeks, a second bite of the apple. The appeal at issue below was taken from the district court's February 3, 1983 order denying Gould's November 26, 1982 motion for reconsideration of the October 12 stay:

> Plaintiff's Motion for Reconsideration of its [sic] October 12, 1982 order is DENIED; all further proceedings, including discovery, are STAYED until the reexamination of Plaintiff's patent by the United States Patent Office has been concluded, including any appeal or judicial review of such Patent Office action.

Pet. App. at 6a. Although this order purports to be nothing more than a denial of Gould's motion, and, in that context, a reaffirmation of the stay entered October 12, Gould sought below to characterize it as an order for a stay independent of the stay imposed five months earlier. Granting Gould this strained premise, the Court of Appeals nevertheless concluded that his appeal should be dismissed. This decision was correct.

Gould concedes that the Federal Circuit accurately stated the law governing the appealability of stays. Petition at 10. His quarrel with the decision below is with the application of the law to the stay involved in this case. Yet, on this subject, Gould offers nothing more

than question-begging assertions that the stay imposed was "protracted or indefinite." The court below squarely held otherwise, with ample justification.

As the Federal Circuit recognized, the stay involved in this case is not protracted, indefinite or litigation-terminating. The stay extends only for the duration of PTO reexamination proceedings, which by statute are to be conducted with "special dispatch", 35 U.S.C. § 305 (Supp. V 1981), and any appeals from such proceedings. Its effect is not to terminate the litigation, but merely to shift the issue of patent validity to the PTO and, if the PTO's decision is appealed, to the Federal Circuit (where the issue will ultimately be considered in any event). This shift is entirely consistent with the policies and purposes of the reexamination procedures. *See* H.R. Rep. No. 1307, Part I, 96th Cong., 2d Sess. 4 (1980), *reprinted in* 1980 U.S. Code Cong. & Ad. News 6460, 6463. Gould has not been put "effectively out of court" by the stay imposed in this case, and the Court of Appeals, therefore, correctly determined under settled precedent that the stay, even if "entered" on February 3, was not appealable.[5]

Moreover, even if the reasoning of the Court of Appeals in dismissing Gould's appeal could be questioned, the result which it reached was nevertheless correct under the novel circumstances of this case.

The district court order staying this litigation pend-

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5. Gould makes the rote assertion that the Federal Circuit's decision "conflicts" with decisions of this Court and other Courts of Appeals. Petition at 10. Yet, nowhere in his petition does he point to any specific case which conflicts with the ruling below. The cases he does cite merely support the standards for determining the appealability of stay orders which the Federal Circuit applied. The court below properly concluded, consistent with these standards and the policies and purposes of the patent laws (which are, of course, within its special expertise), that the stay imposed in this case was not an appealable "final decision" under 28 U.S.C.A. §§ 1291 and 1295 (West Supp. 1983). That conclusion does not warrant review by this Court.

ing final completion of PTO reexamination of Gould's patents was entered on October 12, 1982:

> [T]he motion for continuance . . . is hereby granted pending the outcome of a decision by the Patent Office on defendants' request for reexamination. If the Patent Office should decide to consider the request for reexamination, this case shall be stayed until the decision of the Patent Office is considered final.

Pet. App. at 23a-24a. The stay was unambiguous and as "final" on October 12 as it ever would be. Gould, however, took no action with respect to this stay order until November 26, 1982, when he moved for reconsideration of that order and, in recognition that the order might well have been "final" on October 12, for an extension of time within which to appeal. Then, on December 16, 1982, prior to any ruling on these motions, Gould appealed the October 12 order to the Federal Circuit. This appeal (Appeal No. 83-610) was dismissed for lack of jurisdiction on February 22, 1983, the Federal Circuit holding that, assuming the October 12 stay order was a "final decision", Gould's appeal 65 days after entry of the order was untimely.

While Appeal No. 83-610 was pending, the district court entered its order of February 3, 1983. This order was not, as Gould would have it (and as the Federal Circuit assumed for purposes of its April 27 opinion), an order for a stay independent of the October 12, 1982 order. It was, by its terms, simply a denial of Gould's motion for reconsideration of the October 12 order, and, in that context, a reaffirmation of the previously entered stay of the litigation. The only stay entered in this case was entered on October 12, 1982. And if that stay was, contrary to the reasoning of the opinion here challenged, an appealable "final decision", Gould's appeal from the February 3 order must be dismissed.

If the October 12 order was an appealable "final decision", then Gould's November 26 "motion for reconsid-

eration" was a motion under Federal Rule of Civil Procedure 59(e). *Browder v. Director, Illinois Department of Corrections*, 434 U.S. 257, 261-62 (1978); *Williams v. Bolger*, 633 F.2d 410, 413 & n.3 (5th Cir. 1980). A Rule 59(e) motion must be served "not later than 10 days after the entry of the judgment." Fed. R. Civ. P. 59(e). The time cannot be enlarged. Fed. R. Civ. P. 6(b). A district court has no jurisdiction to amend or alter a final order pursuant to an *untimely* Rule 59(e) motion. *Browder, supra*, 434 U.S. at 263 n.7. *See* Fed. R. App. P. 4(a)(4). And Gould's motion, filed 45 days after entry of the October 12 order, was plainly untimely.[6] Thus, if the October 12 order was appealable, the district court had no jurisdiction to entertain Gould's motion for reconsideration and its February 3 order denying that motion was a nonappealable nullity.[7]

This Court should not mire itself in the procedural quagmire of this case. The February 3 order can only be appealable if it is construed as something which it plainly is not (an order for a stay independent of the October 12 order) and if the Court of Appeals erred in reasoning that, even if so construed, the order was not appealable. The Court of Appeals committed no error.

This is not, as Gould misleadingly seeks to depict it, a case where some manifest injustice has been wrought. It is a case about a litigant who, having failed to preserve whatever right of appeal he might have had from the stay imposed by the district court, seeks on a wholly untenable premise a second chance at appellate review.

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6. The Federal Circuit expressly recognized this in its February 22, 1983 opinion dismissing Appeal No. 83-610. *See* Resp. App. at A-3. Gould did not seek review of this decision, and the Court of Appeals' conclusion therein that, if the October 12 order was "final", Gould's motion for reconsideration was an untimely Rule 59(e) motion, is binding upon him.

7. If the October 12 order was not a "final decision", the February 3 order was also interlocutory and not appealable. A denial of reconsideration of a non-final order is no more "final" than the order itself.

Confronted with a stay order which was as "final" on October 12 as it ever would be, Gould should have timely moved for reconsideration or timely taken an appeal. But he did neither of these things, and now burdens this Court with what amounts to his *seventh* effort before an appellate court to escape the consequences of his default.[8] No injustice has been done. Gould's appeal from the February 3 order denying his motion for reconsideration was properly dismissed for lack of jurisdiction.

C. This Case Does Not Present Either of the Questions Gould Has Presented for Review.

It is axiomatic that, "[w]here issues are neither raised before nor considered by the Court of Appeals, this Court will not ordinarily consider them." *Adickes v. S.H. Kress & Co.*, 398 U.S. 144, 147 n.2 (1970) (citations omitted). Similarly, issues which, although raised in the court below, were not considered by it in its opinion, are not ordinarily considered by this Court. *NLRB v. Sears, Roebuck & Co.*, 421 U.S. 132, 163-164 (1975); *Ramsey v. United Mine Workers*, 401 U.S. 302, 312 (1971). Gould, in contravention of these established limitations, poses in his petition two questions for review, neither of which was ever properly before the Federal Circuit or considered by it.

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8. Gould's efforts include (1) his December 16, 1982 appeal of the October 12 order to the Eleventh Circuit (dismissed on March 22, 1983); (2) his December 16, 1982 appeal of the October 12 order to the Federal Circuit (Appeal No. 83-610) (dismissed on Feb. 22, 1983); (3) his March 8, 1983 motion in Appeal No. 83-610 for a Rule 42(b) dismissal, a rehearing, or a "relinquishment of jurisdiction", filed in the wake of the Federal Circuit's dismissal of that appeal (denied on March 16, 1983); (4) his February 11, 1983 appeal of the February 3 order to the Federal Circuit (Appeal No. 83-794) (dismissed on April 27, 1983); (5) his March 21, 1983 motion to "relinquish jurisdiction" in Appeal No. 83-794, filed in light of the similar pending motion in Appeal No. 83-610 (denied on March 22, 1983); (6) his May 11, 1983 petition for rehearing in Appeal No. 83-794 (denied on May 16, 1983); and (7) his August 15, 1983 petition for a writ of certiorari.

The first question Gould presents is "whether . . . a district court can indefinitely stay a trial of an infringement action pending final disposition of a patent reexamination petition." Gould thereby invites this Court to rule on the underlying merits of the stay imposed in this case.[9] The merits of the stay were never properly before the Court of Appeals. The only question before it was the appealability of the February 3 order. Had the Federal Circuit determined that the stay constituted an appealable "final decision", then and only then could the merits of the stay have been considered.[10]

The second question presented by Gould, which challenges the constitutionality of the patent reexamination statute and PTO procedures, is even more objectionable. In attempting to defend the appealability of the February 3 order, Gould at no time advanced in the court below any of the constitutional issues which he advances in this Court.[11]

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9. Also, the use of the adverb "indefinitely" begs the jurisdictional question.

10. Gould consistently mistakes the standards governing the appealability of stay orders for the standards governing the propriety of such orders. Whether a stay is appealable and whether it is proper are distinct inquiries. *See Moses H. Cone Memorial Hospital v. Mercury Construction Corp.*, 103 S.Ct. 927, 933-34, 943-44 (1983). A stay which puts a litigant "effectively out of court", while subject to appeal, may involve no abuse of discretion or other error on the part of the district court under the particular circumstances of the case. Were the stay in this case appealable, it could be so defended. But this question was never properly before the court below and is not properly presented to this Court for review.

11. None of the arguments which appear in the second half of Gould's petition, Petition at 12-16, was ever made to the Federal Circuit. Indeed, the *only* reference ever made by Gould in the court below to the "issues" he now raises was in his petition for rehearing, filed after the dismissal of his appeal, where Gould obliquely adverted to "serious issues of . . . the appropriate balance between the executive authority and the judicial authority." Petition for Rehearing at 4. Gould did not further identify these "serious issues" and they undoubtedly remain, to this day, a mystery to the Federal Circuit.

In presenting these constitutional issues for review in this case, Gould not only contravenes established principles governing this Court's jurisdiction, but seeks to have this Court undermine ongoing proceedings in the *Mossinghoff* litigation. That litigation, which receives not one word of mention in Gould's petition, involves substantially all of the parties before this Court as well as the PTO itself and embraces every one of the constitutional issues which Gould now advances in this Court. The issues have been fully briefed and argued and await Judge Cahn's disposition. That Gould seeks a ruling on these issues from this Court in the first instance makes a mockery of the proceedings before Judge Cahn and is altogether improper.[12]

The two questions which Gould presents for review had no place in the proceedings below and have no place before this Court. Since this Court is ordinarily limited in the scope of its consideration to the "questions set forth in the petition or fairly included therein," Sup. Ct. Rule 21.1(a), and since neither of Gould's questions is properly raised on the record below, Gould's petition should be denied.

CONCLUSION

This is not a case about the merits of stay orders or the constitutionality of the patent laws. It is a case about Gould's failure to preserve whatever rights he may have had and his myriad efforts to cure his default. The juris-

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12. Judge Cahn's disposition of the constitutional issues raised by Gould will be subject to appeal and ultimate review by this Court. Indeed, should Judge Cahn hold the patent reexamination statute unconstitutional, that ruling may be appealed directly to this Court under 28 U.S.C. § 1252 (1976). Thus, even if the constitutional issues could properly be considered in this case (which they cannot), there is no reason they should be. It would be far more prudent to consider these questions on the basis of lower court decisions founded upon a meaningful record in a case to which the PTO is a party.

dictional question presented is of significance and importance only to Gould. The Court of Appeals correctly resolved that question, both for the reasons it gave and otherwise under the unique facts of this case. The broader questions which Gould seeks to present to this Court are simply not in this case.

For all of these reasons, the Court should deny the petition for a writ of certiorari.

Respectfully submitted.

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IN THE
SUPREME COURT OF THE UNITED STATES

October Term, 1983

No. 83-247

GORDON GOULD,
REFAC INTERNATIONAL, LTD., and
PATLEX CORPORATION,
Petitioners,

v.

CONTROL LASER CORPORATION and
HOLOBEAM LASER CORPORATION,
Respondents.

CERTIFICATE OF SERVICE

Edward M. Posner, a member of the bar of the Supreme Court of the United States, hereby certifies that on September 30, 1983, he caused three copies of Respondents' Brief in Opposition to be served upon each of the following attorneys for petitioners by first class mail, postage prepaid, addressed as indicated: Steven D. Merryday (Counsel of Record), P. O. Box 3333, Tampa, FL 33601; Warren M. Goodrich, P.O. Box 1288, Tampa, FL 33601; William L. Mentlik, 195 Elm Street, Westfield, NJ 07090; and James E. Slater, P. O. Box 633, Orlando, FL 32802. He further certifies that, because 28 U.S.C. §2403(a) is applicable to the Petition for a Writ of Certiorari, on the same date he caused three copies of such Brief in Opposition to be served by first

class mail, postage prepaid, upon the Solicitor General, Department of Justice, Washington, D.C. 20530. All parties required to be served have been served.

Edward M. Posner
Attorney for Respondents

APPENDIX

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

GORDON GOULD, et al., *Appellants*,	:	Appeal No. 83-610
v.	:	
CONTROL LASER CORP. and HOLOBEAM LASER CORP., *Appellees*.	:	

Before FRIEDMAN, RICH, and DAVIS, *Circuit Judges*.

ORDER

PER CURIAM. This is an appeal from an order of the United States District Court for the District of Florida, continuing a patent infringement case pending a decision by the Patent and Trademark Office (the Office) on the appellees' request for a reexamination of the patent, and staying proceedings in that case pending completion of the reexamination. The appellees have moved to dismiss the appeal on the grounds that (1) the notice of appeal was untimely filed, and (2) the order granting the continuance is not appealable. We hold that the notice of appeal was untimely and dismiss the appeal.

1. Under 35 U.S.C. § 302 (Supp. V 1981), any person may request the Office to reexamine any claims of a patent on the basis of prior art cited to the Office under 35 U.S.C. § 301. Within three months of the filing of such a request for reexamination, the Commissioner of Patents and Trademarks must decide whether to reexamine. 35 U.S.C. § 303(a).

The present patent infringement suit has been pending for more than five years. In September 1982, the appellees-defendants filed with the Office a request for reexamination. They then moved the district court to

continue the case until the Office determined that request. The district court granted the motion, stating that "a decision by the Patent Office to reexamine the patent here in suit would place the question of the validity of this patent before an expert and may facilitate any subsequent trial by eliminating isues determined by the Patent Office." The court entered the following order:

> ORDERED that the motion for continuance be and is hereby granted pending the outcome of a decision by the Patent Office on defendants' request for reexamination. If the Patent Office should decide to consider the request for reexamination, this case shall be stayed until the decision of the Patent Office is considered final. On the other hand, if the Patent Office should decide not to consider the request for reexamination, this case will be set for trial in the first quarter of 1983 by further order of the Court.

The order was entered on October 12, 1982. On November 16, 1982, the Office authorized reexamination. On November 26, 1982, the appellant moved for (1) reconsideration of the continuance order, and (2) an extension of time to appeal from that order.

The notice of appeal from the October 12, 1982 order was filed on December 16, 1982. It seeks review not only of that order but of "all prior adverse Orders, including the Orders of May 14, 1979, and September 10, 1979, granting summary judgment on Counts II and III, respectively, of the 'Second Amended Complaint'."

2. Rule 4(a) of the Federal Rules of Appellate Procedure provides that the notice of appeal "shall be filed . . . within 30 days after the date of entry of the judgment or order appealed from." This requirement is "mandatory and jurisdictional." *Browder v. Director, Department of Corrections of Illinois*, 434 U.S. 257, 264 (1978). Unless a notice of appeal is filed within that period, the court of appeals has no jurisdiction to entertain

the appeal. *Id.* at 265; *see Sanchez v. Board of Regents of Tex. Southern Univ.*, 625 F.2d 521 (5th Cir. 1980); *Fassler v. Moran*, 576 F.2d 1372 (9th Cir. 1978); *Lashley v. Ford Motor Co.*, 518 F.2d 749 (5th Cir. 1975).

The appellants' notice of appeal, filed 65 days after the order was entered on October 12, 1982, did not comply with Rule 4(a).

The filing on November 26, 1982 — 45 days after the entry of the October 12 order — of the motion to reconsider the order and to extend the time for appeal, does not change that conclusion. The motion to reconsider did not extend the time for appeal, as Rule 4(a)(4) does for "a timely motion . . . under Rule 59 [of the Federal Rules of Civil Procedure] to alter or amend the judgment." Rule 59(e) requires that such a motion "shall be served not later than 10 days after entry of the judgment." Indeed, the district court could not have granted the alternative relief sought in the motion of extending the time for appeal because, under Rule 4(a)(5) of the Federal Rules of Appellate Procedure, a district court may extend the time for appeal for an additional 30 days only pursuant to a motion filed within the original 30-day period for appeal.

3. The appellants argue that the October 12, 1982 order did not become final until November 16, 1982, when the Office "decided to reexamine the patent," and that prior to that date there was only a contingent indefinite stay of the judicial proceeding. The order, however, was final and effective upon its entry. It continued the judicial proceeding until the Office decided whether to reexamine the patent.

The only contingency was the duration of the order: whether it would expire upon the initial action of the Office (if the latter decided not to reexamine) or upon the final decision of the Office (if the Office granted reexamination). That uncertainty over the duration of the order did not make it nonfinal. The appellants obviously would not have pursued an appeal if the Office

had denied reexamination, but that fact did not make the order any less final when it was entered.

The appeal is dismissed.

February 22, 1983

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

GORDON GOULD, et al., *Appellants*,	:	Appeal No. 83-610
v.	:	
CONTROL LASER CORP. and HOLOBEAM LASER CORP., *Appellees*.	:	

Before FRIEDMAN, RICH, and DAVIS, *Circuit Judges*.

ORDER

PER CURIAM. Upon consideration of the Appellants' Rule 42(b) Motion to Dismiss and for other relief,

IT IS ORDERED that the last sentence beginning at the bottom of page 3 and continuing on the first four lines of page 4 of the court's order of February 22, 1983, which begins with the words "Indeed, the district court" is deleted and the following sentence is substituted:

> The district court has not explicitly ruled upon the motion to extend the time for appeal, and unless and until the court grants an extension, the appeal as filed was untimely.

In all other respects the motion is denied.

March 16, 1983

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

PATLEX CORPORATION and GORDON GOULD,	:	
	:	Civil Action
Plaintiffs,	:	
v.	:	
GERALD J. MOSSINGHOFF, Commissioner of Patents and Trademarks, and THE UNITED STATES PATENT and TRADEMARK OFFICE,	:	No. 82-5472
Defendants.	:	

AMENDED COMPLAINT

Plaintiffs hereby amend and restate their complaint, as of right pursuant rule 15(a) of the Federal Rules of Civil Procedure, as follows:

Parties and Jurisdiction

1. Plaintiff Patlex Corporation ("Patlex") is a publicly held corporation organized and existing under the laws of the Commonwealth of Pennsylvania and having its principal place of business in this District at 44 West Lancaster Avenue, Ardmore, Pennsylvania 19003.

2. Plaintiff Gordon Gould ("Gould") is an individual and a citizen of Virginia, residing at 9101 Deer Park Road, Great Falls, Virginia 22066. Gould, now a recognized pioneer in the field of laser technology, originally conceived of a light amplification device on or before November 13, 1957, and coined the term "laser" (an acronym for "Light Amplification by Stimulated Emission of

Radiation") as a name for his newly conceived device. The page from one of Gould's original notebooks which includes the first known use of the term "laser" has been displayed in the Smithsonian Institute.

3. Defendant United States Patent and Trademark Office ("PTO") is an agency of the United States government, exercising powers as authorized in title 35, United States Code.

4. Defendant Gerald J. Mossinghoff is the Commissioner of Patents and Trademarks ("the Commissioner") and is sued herein in his official capacity.

5. This is an action for declaratory and injunctive relief from final agency action of the PTO, as more fully appears below, in (a) unconstitutionally depriving plaintiffs of their commercially valuable patent rights by ordering reexamination of such patents, without affording plaintiffs an opportunity to be heard; and (b) proceeding with, and refusing to stay, such reexamination proceedings, thereby bringing a halt to a major civil action by plaintiffs for infringement, only days away from trial.

6. The Court has jurisdiction of this action pursuant to 28 U.S.C. §§1331 and 1338.

Background Facts

Plaintiffs' Patents

7. On April 6, 1959, Gould filed U.S. Patent Application Serial No. 804,540, which included fifty-six claims to his various separate and distinct inventions in the field of laser technology.

8. On June 11, 1968, the PTO issued to Gould United States Patent No. 3,388,314 for one of the inventions disclosed in his original application, but this invention and patent have proved to be of no commercial significance.

9. Gould's efforts to obtain patents on the other inventions disclosed in his original application resulted in extraordinarily protracted proceedings before the PTO,

including five *inter partes* proceedings over eighteen years.

10. Finally, on October 11, 1977, Gould was issued United States Patent No. 4,053,845, covering Gould's basic invention of an optically pumped light (or laser) amplifier ("the optically pumped patent" or "the '845 patent"). In 1978, as a result of the issuance of the '845 patent, Gould was named inventor of the year by the Association for Advancement of Invention and Innovation. Subsequently, Gould received similar awards from the American Society of Inventors in 1980 and the Inventor's Club of America in 1981.

11. All commercially available laser amplifiers and laser oscillators which operate by optical pumping employ the invention claimed in the '845 patent and, accordingly, the manufacture, use or sale of such devices is covered by and infringes the '845 patent. On information and belief, the present annual market for such devices is in excess of $100,000,000.

12. On July 17, 1979, Gould was issued United States Patent No. 4,161,436 ("the use patent" or "the '436 patent") on another of the inventions disclosed in his original 1959 application. The invention claimed in the '436 patent is a method of energizing a material utilizing light amplifier apparatus and covers many of the commercially significant uses to which lasers are presently put in the industrial and scientific communities.

13. As a result of various transactions involving Patlex, Gould, and others, in which Patlex paid over $3,000,000 in cash and $13,000,000 in stock, Patlex became the owner of a 40% interest in the gross revenues generated by licensing of the optically pumped patent and the use patent. As a result of those same transactions, Patlex is primarily responsible for the payment of the costs and expenses (including legal fees) associated with the enforcement of the patents, as set forth below, and, to date, has expended in excess of $1,000,000 in connection with such enforcement efforts. Patlex's in-

terest in the patents is its principal asset and represents its principal potential source of future revenue.

Enforcement of the Patents

14. Upon the issuance of each of the '845 patent and the '436 patent, Gould promptly commenced civil actions to restrain their infringement. Because the manufacture, sale, and use of devices covered by the patents had become so widespread that bringing suit against all infringers would have been practically impossible, and because plaintiffs lacked the resources to finance a large number of infringement suits, plaintiffs adopted the strategy of suing one or two representative infringers of each patent, in the expectation that judgments in such actions enforcing the patents would impel other infringers or prospective infringers to sign licensing agreements voluntarily with plaintiffs.

15. Accordingly, on October 19, 1977, eight days after issuance of the optically pumped patent, Gould filed Civil Action No. 77-438-Orl-Civ-Y in the United States District Court for the Middle District of Florida, against Control Laser Corporation ("Control Laser") for infringement of the optically pumped patent. Subsequently, on July 25, 1978, Gould filed in the same court Civil Action No. 78-344-Orl-Civ-Y against Control Laser and its wholly owned subsidiary, Holobeam Laser Corporation, which action was eventually consolidated with the earlier-filed case.

15. On July 26, 1978, Gould filed Civil Action No. C-78-1670 SC in the United States District Court for the Northern District of California against General Photonics Corporation ("General Photonics"), also for infringement of the optically pumped patent. On March 1, 1982, following a three-day bench trial, the court held that the patent was valid and was infringed by General Photonics' manufacture, use, and sale of optically pumped laser amplifier apparatus, including optically pumped laser oscillators which employ optically pumped

laser amplification. *Gould v. General Photonics Corp.*, 534 F. Supp. 399 (N.D. Cal. 1982).

16. On November 1, 1979, a few weeks after the use patent was issued, Gould filed Civil Action No. 79C 4594 in the United States District Court for the Northern District of Illinois, against Lumonics Research Limited ("Lumonics") for infringement of the use patent. On January 28, 1980, General Motors Corporation ("General Motors") intervened in that action as a defendant and eventually settled with Gould by signing a license agreement under the use patent providing for payment of $270,000 in back royalties and payment of future royalties under certain terms and conditions. Discovery and pretrial proceedings in the case against Lumonics are substantially complete, and the court has set April 1, 1983, as a deadline for completion of all remaining discovery. A trial date is expected to be assigned shortly.

17. On July 9, 1982, Bell Telephone Laboratories, Inc. ("Bell Labs"), Western Electric Company, Inc., and American Telephone & Telegraph Company commenced Civil Action No. 82 CIV 4508 in the United States District Court for the Southern District of New York, against Gould, Patlex, and others, requesting a declaratory judgment that the '845 and '436 patents were invalid and not infringed by the plaintiffs in that case. Gould and Patlex filed counterclaims for infringement of the '845 and '436 patents.

Abuse of the Reexamination Process

18. On December 12, 1980, Congress amended title 35 of the United States Code by adding chapter 30, 35 U.S.C. §§301-307, providing a procedure for reexamination of patents by the PTO. The purpose of adding these new provisions for reexamination was to "permit efficient resolution of questions about the validity of issued patents without recourse to expensive and lengthy infringement litigation" and to "reduce, if not

end, the threat of legal costs being used to 'blackmail' [patent] holders into allowing patent infringements or being forced to license their patents for nominal fees." H.R. Rep. No. 96-1307, 96th Cong., 2d Sess. 4 (1980). A copy of 35 U.S.C. §§301-307 is attached hereto as Exhibit A.

19. On December 24, 1980, Gould filed Civil Action No. 80-3287 against the Commissioner in the United States District Court for the District of Columbia, seeking review pursuant to 35 U.S.C. §145 of a decision by the PTO Board of Appeals denying a patent to Gould on another of his inventions disclosed in his original 1959 application. The court granted summary judgment in favor of the PTO on July 21, 1982 , but on August 2, 1982, Gould moved to vacate or set aside the summary judgment under rule 59(e) of the Federal Rules of Civil Procedure. A hearing on the motion to vacate was scheduled for August 26, 1982.

20. On August 23, 1982, in response to a request by Gould to reschedule the hearing date, the Commissioner, represented by the Solicitor of the PTO, opposed Gould's request by filing a paper entitled "Commissioner's Opposition." Although the '845 and '436 patents were not before the Court in that case, the paper contained a sentence calling the validity of the '845 and '436 patents into question, as follows:

> Additionally, the Patent and Trademark Office must decide whether the Court's rationale in its July 21, 1982 opinion is applicable to patents issued to Gould in order to determine whether those patents should be subject to reexamination pursuant to 35 U.S.C. §303.

This statement by the Solicitor of the PTO, on behalf of the Commissioner, was in violation of section 1701 of the PTO's Manual of Patent Examining Procedure ("the M.P.E.P."), which instructs PTO employees to "refuse to express to any person any opinion or view as to the inva-

lidity of any United States Patent except where a reissue application has been filed and is before the Examiner for consideration," and in further violation of section 2239 of the M.P.E.P., which provides a specific procedure for commencing reexamination proceedings on the initiative of the Commissioner.

21. Two days later, on August 25, 1982, counsel for Control Laser filed a copy of the "Commissioner's Opposition" with the federal court in the Florida action pending against them. That same day, during a hearing in the Florida action, Control Laser's counsel read to the court the above-quoted portion of the "Commissioner's Opposition," characterizing it as "a rather unusual and remarkable procedure." This was the first suggestion made by counsel for Control Laser that the optically pumped patent might be subject to reexamination by the PTO, even though the reexamination statute had been in effect for more than a year.

22. On September 7, 1982, only fifteen days after the filing of the "Commissioner's Opposition," and only six days before a jury trial in the Florida action against Control Laser was scheduled to commence, Control Laser submitted to the PTO a request for reexamination of the optically pumped patent. The principal basis stated for Control Laser's request was the purported applicability of the summary judgment in *Gould v. Mossinghoff* to the validity of the optically pumped patent.

23. On September 8, 1982, the Florida action against Control Laser was rescheduled for November 1, 1982, because of the recusal of the presiding judge and reassignment of the case to a new judge. Thereafter, on October 6, 1982, Control Laser moved for a continuance of the trial pending the outcome of its request for reexamination in the PTO. On October 12, 1982, the court granted Control Laser's motion and ordered a continuance of the trial, ruling that if the PTO granted reexamination, the entire case would be stayed until the PTO's decision on reexamination is considered final.

The court further ordered that if the PTO decided not to order reexamination, the case would be set for trial during the first quarter of 1983.

24. Control Laser's request for reexamination was followed by a series of similar requests for reexamination by other parties that Gould has sued for infringement, as follows:

(a) On September 8, 1982, the day after Control Laser forwarded its request for reexamination to PTO, Bell Labs submitted to the PTO a request to reexamine the optically pumped patent. The request set forth no specific basis whatsoever for the reexamination which was sought.

(b) On September 29, 1982, Lumonics filed with the PTO a request for reexamination of the use patent.

(c) On November 17, 1982, General Motors filed a request for reexamination of the use patent.

Count I

25. The averments of paragraphs 1 through 24 above are incorporated herein by reference as if set out in full.

26. After the filing of the above-described requests for reexamination, Gould submitted papers to the PTO stating reasons for denying all of the requests, on the ground that they were based on matters which were not proper grounds for reexamination under 35 U.S.C. §§301-307.

27. The PTO refused to consider the submissions by Gould and returned the papers without filing them, on the ground that under PTO Rule 530(a), 37 C.F.R. §1.530(a), a patent owner may not file any papers in opposition to a request for reexamination prior to the time that reexamination is granted.

28. On November 16, 1982, the PTO granted the requests for reexamination of the '845 patent filed by

Control Laser and Bell Labs. On December 8, 1982, the PTO granted the requests of Lumonics and General Motors to reexamine the '436 patent.

29. The grant of reexamination has caused and continues to cause plaintiffs serious, immediate and irreparable harm by making the licensing of the patents impossible as a practical matter. Indeed, certain infringers have ceased licensing negotiations with plaintiffs as a result of the order of reexamination.

30. The grants of reexaination are arbitrary and capricious and contrary to the Constitution and laws of the United States, in the following respects:

(a) Plaintiffs have been deprived of their property, including their ability to license the patents, without an opportunity to be heard, in violation of the due process clause of the fifth amendment.

(b) The reexamination threatens to deprive plaintiffs of their property interests in the patents in violation of the due process clause of the fifth amendment, in that the provisions of 35 U.S.C. §§301-307 had not been enacted when the PTO issued the patents to Gould, and the patents were therefore given to Gould by the PTO without any condition or contingency that they may be subject to reexamination or cancellation by the PTO in the future.

(c) The reexamination threatens to adjudicate the invalidity of the patents without the action of a federal judge and jury, in violation of article III of the Constitution and the seventh amendment.

(d) Although PTO Rule 21(x), 37 C.F.R. §1.21(x), provides for a filing fee of $1,500 to accompany any request for reexamination, Rule 26(c), 37 C.F.R. §1.26(c), provides for a refund of $1,200 to the requester if reexamination is denied, thus providing the PTO with a financial incentive to find in favor of reexamination, in violation of the due process clause of the fifth amendment.

(e) Section 2240 of the M.P.E.P. provides that all doubts on a request for reexamination should be resolved in favor of granting reexamination, in violation of the presumption of validity accorded to patents under 35 U.S.C. §282.

(f) The PTO and the Commissioner acted in violation of their own procedures by, *inter alia*, inviting requests for reexamination by filing the "Commissioner's Opposition," thereby unlawfully merging the PTO's separate functions of advocacy and adjudication.

31. Plaintiffs have no further administrative remedies to exhaust and no adequate remedy at law with respect to the grant of reexamination, since they continue to suffer immediate and irreparable harm while awaiting a final decision by the PTO on the validity of the patents. Further, since the cancellation of the patents by the PTO pursuant to reexamination would be clearly in violation of plaintiffs' constitutional and statutory rights, no further exhaustion of administrative remedies is required.

Count II

32. The averments of paragraphs 1 through 31 above are incorporated herein by reference as if set out in full.

33. Prior to the order for reexamination, Gould requested that the PTO stay all proceedings on the requests for reexamination of the optically pumped patent, to permit the trial against Control Laser in Florida to proceed promptly. The PTO denied this request, even though Control Laser's request for reexamination had been submitted to the PTO only six days before the jury trial against it was scheduled to commence, in accordance with section 2286 of the M.P.E.P., providing that reexamination proceedings will be stayed only if trial in a pending lawsuit has actually commenced. Subse-

quently, after reexamination was granted, Gould requested that all further proceedings of the patents be stayed pending judicial review in the present action, which request was also denied.

34. The PTO's practice as set forth in section 2286 of the M.P.E.P. is not authorized by law and is contrary to the PTO's statutory mandate as set forth in the reexamination statute.

35. The refusal of the PTO to stay its proceedings to permit the trial against Control Laser to proceed was arbitrary and capricious and contrary to law and constituted an abuse of discretion, in view of the fact that all pretrial proceedings in the action against Control Laser had been completed and the case was and is ready for trial.

36. Such action by the PTO has caused and continues to cause plaintiff serious, immediate and irreparable harm. Certain leading infringers of the optically pumped patent consider the action against Control Laser to be a "test case" which will determine whether or not they will agree to enter into licensing agreements with Gould and Patlex. Upon refusal of the PTO to stay its hand to permit the action against Control Laser to proceed, these infringers have ceased negotiations with Gould and Patlex concerning voluntary licensing. Further, delay of the action against Control Laser threatens to deprive Gould and Patlex of the financial resources necessary to bring suit against recalcitrant infringers prior to October of 1983, when the six-year statute of limitations will begin to prevent them from suing for infringement of the optically pumped patent committed immediately after issuance of that patent.

37. Gould and Patlex have no further administrative remedies to exhaust and no adequate remedy at law, since they continue to suffer immediate and irreparable harm while awaiting a final decision by the PTO on the validity of the patents, and since the action against Control Laser continues to be stayed pending such final determination by the PTO.

WHEREFORE, plaintiffs request that the Court enter an Order:

(a) declaring the procedures used by defendants in granting reexamination of plaintiffs' patent unconstitutional and contrary to law;

(b) declaring the provisions of 35 U.S.C. §§301-307 unconstitutional as applied to plaintiffs;

(c) preliminarily and, upon final hearing, permanently vacating the PTO's order of reexamination and enjoining defendants from proceeding further with reexamination of the '845 patent and the '436 patent; and

(d) granting such further relief as is just.

/s/ Jeffrey S. Saltz
Alan J. Davis
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EXHIBIT "A"

CHAPTER 30—PRIOR ART CITATIONS TO OFFICE AND REEXAMINATION OF PATENTS

Sec
301. Citation of prior art.
302. Request for reexamination.
303. Determination of issue by Commissioner.
304. Reexamination order by Commissioner.
305. Conduct of reexamination proceedings.
306. Appeal.
307. Certificate of patentability, unpatentability, and claim cancellation.

§301. Citation of prior art

Any person at any time may cite to the Office in writing prior art consisting of patents or printed publications which that person believes to have a bearing on the patentability of any claim of a particular patent. If the person explains in writing the pertinency and manner of applying such prior art to at least one claim of the patent, the citation of such prior art and the explanation thereof will become a part of the official file of the patent. At the written request of the person citing the prior art, his or her identity will be excluded from the patent file and kept confidential.

Added Pub.L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3015.

Effective Date. Section effective July 1, 1981, and applicable to patents in force as of July 1, 1981, or issued thereafter, see section 8(b) of Pub.L. 96-517, set out as a note under section 41 of this title.

Legislative History. For legislative history and purpose of Pub.L. 96-517, see 1980 U.S.Code Cong. and Adm.News, p. 6460.

§302. Request for reexamination

Any person at any time may file a request for reexamination by the Office of any claim of a patent on the basis of any prior art cited under the provisions of section 301 of this title. The request must be in writing and

must be accompanied by payment of a reexamination fee established by the Commissioner of Patents pursuant to the provisions of section 41 of this title. The request must set forth the pertinency and manner applying cited prior art to every claim for which reexamination is requested. Unless the requesting person is the owner of the patent, the Commissioner promptly will send a copy of the request to the owner of record of the patent.
Added Pub.L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3015.

Effective Date. Section effective July 1, 1981, and applicable to patents in force as of July 1, 1981, or issued thereafter, see section 8(b) of Pub.L. 96-517, set out as a note under section 41 of this title.

Change of Name. Term "Commissioner of Patents and Trademarks" as meaning of the term "Commissioner of Patents" in all laws of the United States, see Pub. L. 93-596, §3, Jan. 2, 1975, 88 Stat. 1949, set out as a note under section 3 of this title.

Legislative History. For legislative history and purpose of Pub.L. 96-517, see 1980 U.S.Code Cong. and Adm.News, p. 6460.

§303. Determination of issue by Commissioner

(a) Within three months following the filing of a request for reexamination under the provisions of section 302 of this title, the Commissioner will determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications. On his own initiative, and any time, the Commissioner may determine whether a substantial new question of patentability is raised by patents and publications discovered by him or cited under the provision of section 301 of this title.

(b) A record of the Commissioner's determination under subsection (a) of this section will be placed in the official file of the patent, and a copy promptly will be given or mailed to the owner of record of the patent and to the person requesting reexamination, if any.

(c) A determination by the Commissioner pursuant to subsection (a) of this section that no substantial new question of patentability has been raised will be final and nonappealable. Upon such a determination, the Com-

missioner may refund a portion of the reexamination fee required under section 302 of this title.
Added Pub.L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3015.

Effective Date. Section effective July 1, 1981, and applicable to patents in force as of July 1, 1981, or issued thereafter, see section 8(b) of Pub.L. 96-517, set out as a note under section 41 of this title.

Legislative History. For legislative history and purpose of Pub.L. 96-517, see 1980 U.S.Code Cong. and Adm.News, p. 6460.

§304. Reexamination order by Commissioner

If, in a determination made under the provisions of subsection 303(a) of this title, the Commissioner finds that a substantial new question of patentability affecting any claim of a patent is raised, the determination will include an order for reexamination of the patent for resolution of the question. The patent owner will be given a reasonable period, not less than two months from the date a copy of the determination is given or mailed to him, within which he may file a statement on such question, including any amendment to his patent and new claim or claims he may wish to propose, for consideration in the reexamination. If the patent owner files such a statement, he promptly will serve a copy of it on the person who has requested reexamination under the provisions of section 302 of this title. Within a period of two months from the date of service, that person may file and have considered in the reexamination a reply to any statement filed by the patent owner. That person promptly will serve on the patent owner a copy of any reply filed.
Added Pub.L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3016.

Effective Date. Section effective July 1, 1981, and applicable to patents in force as of July 1, 1981, or issued thereafter, see section 8(b) of Pub.L. 96-517, set out as a note under section 41 of this title.

Legislative History. For legislative history and purpose of Pub.L. 96-517, see 1980 U.S.Code Cong. and Adm.News, p. 6460.

§305. Conduct of reexamination proceedings

After the times for filing the statement and reply provided for by section 304 of this title have expired,

reexamination will be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133 of this title. In any reexamination proceeding under this chapter, the patent owner will be permitted to propose any amendment to his patent and a new claim or claims thereto, in order to distinguish the invention as claimed from the prior art cited under the provisions of section 301 of this title, or in response to a decision adverse to the patentability of a claim of a patent. No proposed amended or new claim enlarging the scope of a claim of the patent will be permitted in a reexamination proceeding under this chapter. All reexamination proceedings under this section, including any appeal to the Board of Appeals, will be conducted with special dispatch within the Office.
Added Pub.L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3016.

Effective Date. Section effective July 1, 1981, and applicable to patents in force as of July 1, 1981, or issued thereafter, see section 8(b) of Pub.L. 96-517, set out as a note under section 41 of this title.

Legislative History. For legislative history and purpose of Pub.L. 96-517, see 1980 U.S.Code Cong. and Adm.News, p. 6460.

§306. Appeal

The patent owner involved in a reexamination proceeding under this chapter may appeal under the provisions of section 134 of this title, and may seek court review under the provisions of sections 141 to 145 of this title with respect to any decision adverse to the patentability of any original or proposed amended or new claim of the patent.
Added Pub.L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3016.

Effective Date. Section effective July 1, 1981, and applicable to patents in force as of July 1, 1981, or issued thereafter, see section 8(b) of Pub.L. 96-517, set out as a note under section 41 of this title.

Legislative History. For legislative history and purpose of Pub.L. 96-517, see 1980 U.S.Code Cong. and Adm.News, p. 6460.

§307. Certificate of patentability, unpatentability, and claim cancellation

(a) In a reexamination proceeding under this chap-

ter, when the time for appeal has expired or any appeal proceeding has terminated, the Commissioner will issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable.

(b) Any proposed amended or new claim determined to be patentable and incorporated into a patent following a reexamination proceeding will have the same effect as that specified in section 252 of this title for reissued patents on the right of any person who made, purchased, or used anything patented by such proposed amended or new claim, or who made substantial preparation for the same, prior to issuance of a certificate under the provisions of subsection (a) of this section.

Added Pub.L. 96-517, §1, Dec. 12, 1980, 94 Stat. 3016.

Effective Date. Section effective July 1, 1981, and applicable to patents in force as of July 1, 1981, or issued thereafter, see section 8(b) of Pub.L. 96-517, set out as a note under section 41 of this title.

Legislative History. For legislative history and purpose of Pub.L. 96-517, see 1980 U.S.Code Cong. and Adm.News, p. 6460.